

Service Date: November 19, 1985

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER Of The Application)
Of BUTTE WATER COMPANY for Auth-) UTILITY DIVISION
ority to Increase Rates and) DOCKET NO. 85.7.29
Charges for Water Service to its) ORDER NO. 5165
Anaconda. Montana customers.

INTERIM RATE ORDER

FINDINGS OF FACT

1. On July 17, 1985, Butte Water Company (Applicant BWC) filed an application with this Commission for authority to increase water rates and charges for its Anaconda, Montana customers on a permanent basis by approximately 29.95%, for a revenue increase of approximately \$78,055.
2. On October 15, 1985, BWC filed an application for an interim rate increase of approximately 16.8%, for a revenue increase of approximately \$43,693, or 56.0% of the proposed permanent increase.
3. The Commission's interim rules require a clear showing that the petitioning utility is suffering an obvious income deficiency. The Commission, because of the pending sale of BWC by Anaconda Minerals to the Washington Corp., cannot determine if the utility is suffering an obvious income deficiency. The Commission's inability to determine BWC's financial condition stems from a lack of information relative to changes that may occur to such items as; rate base, capital structure, cost of debt, cost of equity, etc., with the change in ownership.

4 Based upon the preceding Finding of Fact the Commission finds that BWC's request for interim rate relief should be denied. If the Applicant submits financial data reflecting the changes resulting from the sale of BWC, the Commission will accept the filing of a new request for interim rate relief.

CONCLUSIONS OF LAW

1 The Butte Water Company is a public utility furnishing water service to customers in the Anaconda area, and is subject to the supervision, regulation and control of the Montana Public Service Commission, pursuant to Section 69-3-102, MCA.

2. Section 69-3-304, MCA provides in part, "The Commission may, in its discretion, temporarily approve increases...pending a hearing or final decision," and that such increases are subject to rebate.

3. The Commission concludes that the denial of interim rate increase requested herein is just, reasonable within the discretion granted by Section 69-3-304, MCA.

the

and

ORDER

THEREFORE THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

1. The Butte Water Company is hereby denied authority to implement, on an interim basis, increased rates for its Anaconda, Montana customers, designed to generate

additional annual revenues in the amount of \$43,693.

DONE IN OPEN SESSION THIS 12th day of November, 1985 by a
vote of 5 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

CLYDE JARVIS, Chairman

HOWARD L. ELLIS, Commissioner

TOM MONAHAN, Commissioner

DANNY OBERG, Commissioner

JOHN B. DRISCOLL, Commissioner

ATTEST:

Trenna Scoffield
Secretary

(SEAL)

NOTE: Any interested party may request the Commission to
reconsider this decision. A motion to reconsider
must be filed within ten (10) days. See 38.2.406,
ARM.